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BEFORE THE DEPARTMENT OF COMMERCE AND INSURANCE
FOR THE STATE OF TENNESSEE

JUL 06 2004
Dept. Of Commerce & Insurance
Company Examinations

IN THE MATTER OF:

USAUTO INSURANCE COMPANY, INC.

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No.: 04-057

ORDER ADOPTING EXAMINATION REPORT AS FILED

Pursuant to Tenn. Code Ann. § 56-1-401, *et seq.*, the Insurance Division of the State of Tennessee Department of Commerce and Insurance (hereinafter referred to as the "Division") has examined certain affairs of USAuto Insurance Company, Inc. (hereinafter also referred to as the "Company"), an insurance company domiciled in the State of Tennessee. As a result of an examination conducted as of the 14th day of May, 2003, the examiner-in-charge filed with the Division, on the 19th day of May, 2004, a verified, written report on examination, and a copy of that report has been sent to USAuto Insurance Company, Inc. (The Report on Market Conduct Examination of USAuto Insurance Company, Inc., is attached hereto and marked as Exhibit A). The Division received written rebuttal to said examination report from the company on June 4, 2004. (A true and exact copy of the rebuttal to the examination report of USAuto Insurance Company, Inc. is attached hereto and marked as Exhibit B.)

Pursuant to Tenn. Code Ann. § 56-1-411, said examination report regarding the affairs of USAuto Insurance Company, Inc., filed with the Insurance Division of the State of Tennessee Department of Commerce and Insurance on the 19th day May, 2004, is hereby **ADOPTED** as filed.

The adoption of this examination report shall not preclude the Department from imposing sanctions against USAuto Insurance Company, Inc. for potential violations of the Tennessee Insurance Law which may be revealed in the examination report, it being the intent of this Order Adopting Examination Report merely to adopt the examination report filed by the examiner-in-charge.

It is so **ORDERED**.

ENTERED this the 30th day of June, 2004.

Paula A. Flowers

Paula A. Flowers, Commissioner
Department of Commerce and Insurance
State of Tennessee

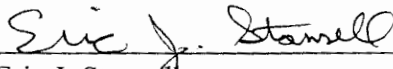
PREPARED FOR ENTRY:

Eric J. Stansell

Eric J. Stansell (BPR# 021707)
Staff Attorney
Tennessee Department of Commerce and Insurance
500 James Robertson Parkway
Davy Crockett Tower, Fifth Floor
Nashville, Tennessee 37243
(615) 741-2199

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and correct copy of the foregoing Order Adopting Examination Report as Filed has been messenger mailed to Larry C. Knight, Jr., Assistant Commissioner for Insurance, Department of Commerce and Insurance, and Don Spann, Chief Examiner, Department of Commerce and Insurance, and mailed, first class, postage prepaid, to USAuto Insurance Company, Inc., 3813 Green Hills Village Drive, Nashville, Tennessee 37215, on this the 6th day of July, 2004.



Eric J. Stansell
Certifying Attorney